Joint Committee on Taxation
JCX-4-89
April 7, 1989

ESTIMATED BUDGET EFFECTS OF REVENUE PROVISIONS IN PRESIDENT BUSH'S FISCAL YEAR 1990 BUDGET PROPOSAL

Fiscal Years 1989-1994
[Billions of Dollars]

Item	1989	1990	1991	1992	1993	1994	1989-94
I. TAX PROVISIONS:							
A. Capital gains tax rate reduction for individuals	0.7	3.3	-4.0	-6.4	-6.9	-10.9	-24.2
B. New child tax credit and refundable child and dependent care tax credit (1)	--	(2)	(2)	(2)	(2)	0.1	0.2
C. Itemized deduction for special needs adoption	--	--	(3)	(3)	(3)	(3)	(2)
D. Enterprise zone tax incentives	--	(4)	(4)	(4)	(4)	(4)	(4)
E. Permanent research and experimentation (R&E) tax credit	--	-0.4	-0.7	-1.0	-1.2	-1.5	-4.8
F. R&E expense allocation rules	--	-1.7	-0.7	-0.8	-0.9	-1.0	-5.2
G. Energy tax incentives:							
1. 10% credit for exploratory drilling	--	-0.2	-0.3	-0.3	-0.4	-0.4	-1.5
2. 10% credit for tertiary enhanced recovery	--	(2)	(2)	(2)	(2)	(2)	-0.1
3. Eliminate the transfer rule and increase the net income to 100% for percentage depletion by independent producers and royalty owners	--	(2)	(2)	-0.1	-0.1	-0.1	-0.2
4. Eliminate 80% of exploratory IDC tax preferences from minimum tax for independent producers	--	-0.1	-0.1	-0.1	-0.1	-0.1	-0.5
H. Medical hospital insurance (HI) for State and local employees	--	1.7	1.9	1.9	1.9	1.9	9.5
I. Elimination of Superfund petroleum tax differential	--	--	--	--	--	--	---
J. Repeal of the Airport and Airway Trust Fund tax trigger	--	0.9	1.5	1.6	1.8	1.9	7.7
K. Extension of the communications (telephone) excise tax	--	--	1.6	2.7	2.9	3.1	10.4
II. OTHER REVENUE ITEMS (Estimates supplied by Congressional Budget Office):							
A. User fee/tax for U.S. Travel and Tourism Administration	--	(5)	(5)	(5)	(5)	(5)	(6)
B. IRS Enforcement Funding Initiative	--	0.3	0.6	0.7	0.7	0.7	3.0
C. Customs Service User Fees	--	--	(7)	(7)	(7)	(7)	(7)
D. Certain Other User Fees Classified as Budget Receipts:							
1. Nuclear Regulatory Commission fees	--	(8)	(8)	(8)	(8)	(8)	(8)
2. Federal Emergency Management Agency fees	--	(5)	(5)	(5)	(5)	(5)	(6)
3. Federal marine fishing licenses and fees	--	(6)	0.1	0.1	0.1	0.1	0.3
4. Coast Guard boating fees	--	(9)	(9)	(9)	(9)	(9)	(9)
5. IRS telephone information service fee	--	--	(6)	(6)	(6)	(6)	0.2
E. Other: Railroad Unemployment Compensation Fund Reimbursement to Amtrak	(3)	(3)	(3)	(10)	(10)	(10)	(10)

(1) Refundable tax credits involving refunds which exceed tax liability are shown as increased outlays. Outlays will increase by $0.3 billion in FY90, $3.0 billion in FY91, $3.3 billion in FY92, $3.6 billion in FY93, and $4.0 billion in FY94.
(2) Loss of less than $50 million.
(3) Loss of less than $5 million.
(4) This proposal has not been specified in sufficient detail to provide a revenue estimate. The target levels for tax incentives contained in the Administration's proposal are the following: $-0.2 billion in FY90; $-0.2 billion in FY91; $-0.3 billion in FY92; $-0.4 billion in FY93; and $-0.5 billion in FY94.
(5) Gain of less than $10 million.
(6) Gain of less than $50 million.
(7) This proposal would offset outlays by $0.2 billion annually beginning in FY91.
(8) This proposal would offset outlays by $0.3 billion annually beginning in FY90.
(9) This proposal would offset outlays by $0.2 billion annually beginning in FY90.
(10) Gain of less than $5 million.

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